weekly economic review

November 9, 2012

Housing Starts

Alberta housing starts remain steady

Alberta new home construction was basically unchanged in October after a strong gain in September. Housing starts were 33,100 (Seasonally adjusted at annual rate, SAAR) in October, slightly below the previous month's level and essentially unchanged from last October. Meanwhile, Alberta is on pace to record a strong increase in new home construction in 2012: in the first ten months of the year, housing starts have averaged 33,000, up an impressive 33.5% over the same period last year.

Nationally, starts contracted for the second month in a row, falling 8.9% to 204,100 (SAAR) in October and down 8.9% from October 2011.

New Housing Price Index

Alberta new home prices continue to post modest gains

New home prices in Alberta continued to edge up in September. Alberta's new housing price index rose 1.8% over last September, the largest increase in over two years. Gains in Alberta were modest compared with increases in the rest of the country, especially Ontario (4.1%), Manitoba (3.5%) and Saskatchewan (2.8%). At the city level, September prices were up 2.3% year-over-year in Calgary and 1.3% in Edmonton.

Building Permits

Value of building permits dip

Alberta building permits fell back in September, retracing most of the previous month's gains. The value of building permits declined 16.8% from a 3-month high in August. The decrease was due to declines in both residential (-15.4%) and non-residential (-19.1%) permits. Building permits are an indicator of future construction and renovation activities.

On a year-over-year basis, permits were up a mere 0.4%, as a 7.2% increase in residential permits was offset by a 9.2% drop in non-residential permits.

Despite the monthly decrease and the weak year-over-year gain, permits are up an impressive 12.3% through the first three quarters of 2012 compared with the same period last year.

Nationally, permits were down 13.2% in September due to weakness in non-residential permits. Meanwhile, permits were up a strong 15.6% over the same month last year bolstered by both residential and non-residential permits.

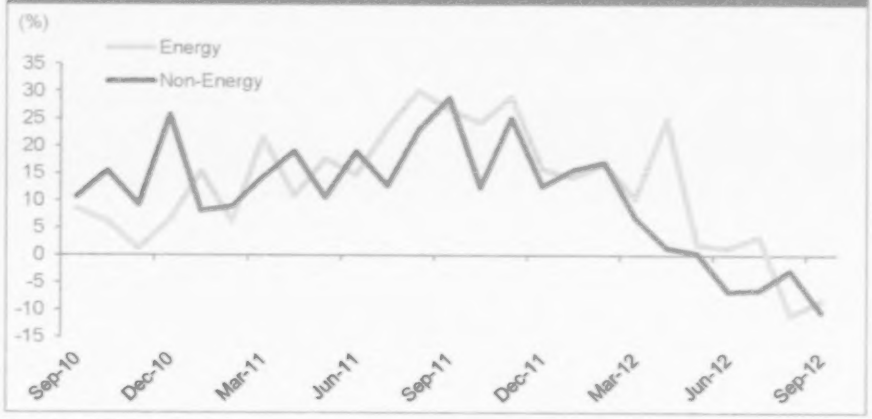
Merchandise Trade

Alberta merchandise exports fall to 17-month low

Merchandise exports in September fell to $7.2 billion, the lowest monthly total since April 2011. On a year-over-year basis, exports were down 9.0%, mostly due to exports of energy products, which fell 8.3%. Farm, fishing and intermediate food exports were the only product group that saw substantial year-over-year increases, rising by 19.1% over September 2011 to $0.6 billion.

Nationally, September merchandise exports are up 1.9% to $38.0 billion. Imports remained largely unchanged in September at $38.8 billion. As a result, the trade balance fell to $0.8 billion in September from $1.5 billion in August.

Alberta International Merchandise Exports (year-over-year growth)



Source: Statistics Canada

Closing Prices	November 1, 2012	November 8, 2012	2012–13 Fiscal YTD
Canadian Dollar (US$/$CAN)	100.27	100.14	99.96
WTI Oil ($US/bbl)	87.09	85.89	92.14
NYMEX Natural Gas ($US/MMBtu)	$3.70	3.63	2.77

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	May	Jun	Jul	Aug	Sep	Oct
Population* ('000s)	3,724	3,778	3,874			3,874			
% change	1.4	1.5	2.5			2.5			
Net Interprovincial Migration* (level)	3,271	8,443	28,170			8,544			
Net International Migration* (level)	24,100	16,709	87,990			14,046			
Net Non-permanent Residents* (level)	14	-7,604	9,721			1,444			
Labour Market									
Employment ('000s) SA	2,017	2,094	2,146	2,151	2,144	2,150	2,154	2,156	2,168
% change	0.4	3.8	2.8	3.1	2.7	2.9	2.1	1.8	3.2
Unemployment Rate (%) SA	6.5	5.4	4.7	4.5	4.6	4.6	4.4	4.4	4.5
Participation Rate (%) SA	72.9	73.7	73.6	73.7	73.3	73.5	73.2	73.1	73.1
Average Weekly Earnings ($) SA	993.26	1,038.89	1,065.06	1,065.07	1,064.06	1,064.99	1,064.06		
% change	4.6	4.6	1.1	1.2	0.9	0.5	1.2		
Price Indices									
Consumer Price Index	1.8	2.4	1.4	0.4	1.3	0.9	1.0	1.4	
Excluding food and energy	0.8	0.8	1.4	1.5	1.6	1.4	1.4	1.7	
Non-Res. Building Const. Price Index*	0.1	3.4	4.3		4.1				
Farm Product Price Index	1.8	17.4	6.3	2.1	8				
Crops	9.6	18.0	2.1	3.2	1.4				
Livestock	5.7	16.8	9.6	1	12.8				
Household Sector									
NEW: Housing Starts (SAAR, '000s)	27.1	25.7	33.0	31.7	33.0	30.3	29.3	33.8	34.1
% change	33.5	-5.1	33.5	30.5	45.5	31.8	-6.6	35.6	0.3
NEW: New Housing Price Index*	0.5	0.4	1.1	1.0	1.2	1.5	1.6	1.8	
Edmonton	0.8	0.9	0.9	1.1	0.8	0.8	0.9	1.2	
Calgary	1.7	0.1	1.3	0.8	1.7	2.3	2.4	2.5	
MLS Average Resale Prices ($ '000's)	350.9	352.7	360.0	366.5	360.5	363.1	363.0	361.2	
% change	3.1	0.5	1.8	1.9	2.7	3.2	3.6	0.6	
Edmonton ($ '000's)	326.5	324.2	331.4	333.7	332.2	331.8	334.0	332.4	
% change	2.3	-0.7	2.3	4.0	3.7	1.2	2.9	2.7	
Calgary ($ '000's)	397.4	401.9	406.6	411.3	410.7	411.5	410.9	408.7	
% change	3.4	1.1	0.8	2.4	2.3	3.1	1.8	0.4	
Retail Sales SA	6.0	6.9	6.9	8.0	7.1	9.4	8.7		
New Motor Vehicle Sales	9.5	9.6	12.4	12.6	5.8	10.5	9.0		
Consumer Bankruptcies (level)	8,150	7,029	4,083	515	464	489	454		
% change	-18.4	-13.8	-17.2	-16.5	-25.4	8.4	-29.7		
Business Sector									
Rigs Drilling (level)	207	286	346	98	130	196	253	220	236
% change	68.1	30.4	11.0	4.5	7.2	17.5	30.9	-33.7	59.6
NEW: Goods Exports (volume based)	12.6	18.5	4.1	1.4	1.1	0.6	-8.8	9.0	
Energy	17.1	19.4	5.4	1.9	1.3	1.3	-11.6	8.3	
Farm, Fishing and Intermediate Food	-15.9	-27.2	15.7	19.2	-13.5	10.9	21.5	19.1	
Total Farm Cash Receipts (quarterly)	-3.7	16.3	28.3						
Manufacturing Shipments, SA	11.3	18.0	9.2	7.7	5.6	5.6	4.2		
Wholesale Trade, SA	8.5	15.0	14.5	17.0	10.6	12.7	10.1		
NEW: Building Permits, SA	1.9	11.8	12.3	20.5	19.3	0.1	11.0	0.4	
Residential	-22.4	5.2	18.5	27.0	34.6	1.2	30.2	7.2	
Non-residential	18.3	20.9	4.9	13.9	11.9	-1.5	10.4	-0.2	
Business Bankruptcies (level)	378	264	160	28	22	16	10	-	
% change	-6.7	-30.2	-8.0	-27.3	-37.5	-6.7	-61.5	-	

YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted.

[1] Unless otherwise indicated, all figures are year-over-year percentage change and not seasonally adjusted.

[2] Quarterly, annual numbers are presented on a census year basis (July 1 - June 30).

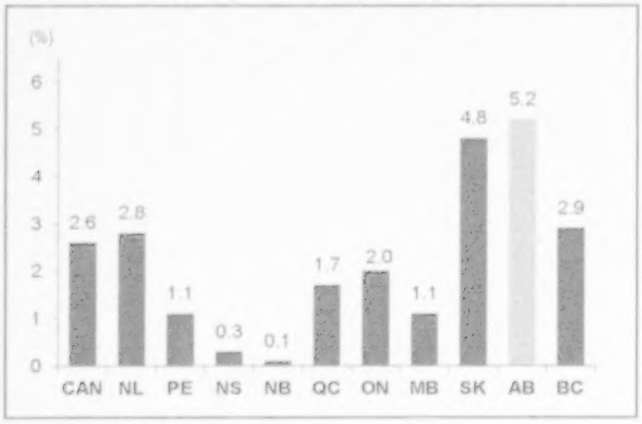
[3] Quarterly, average of Calgary and Edmonton.

[4] Average of Calgary and Edmonton.

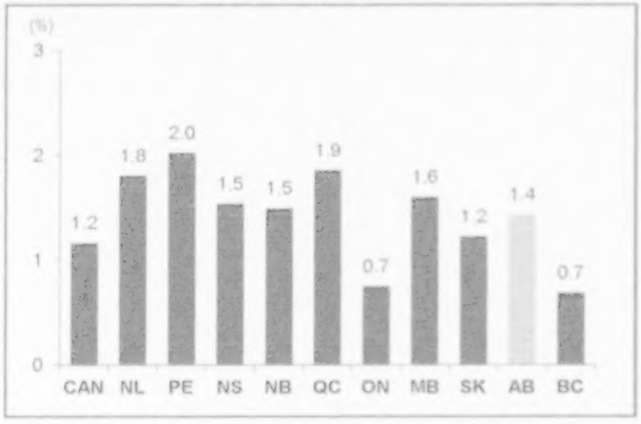
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

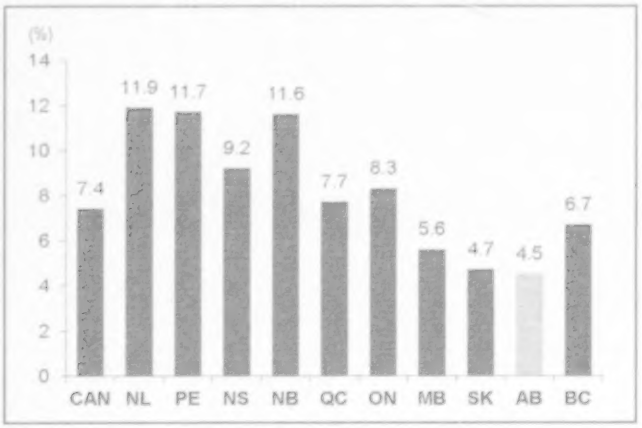
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



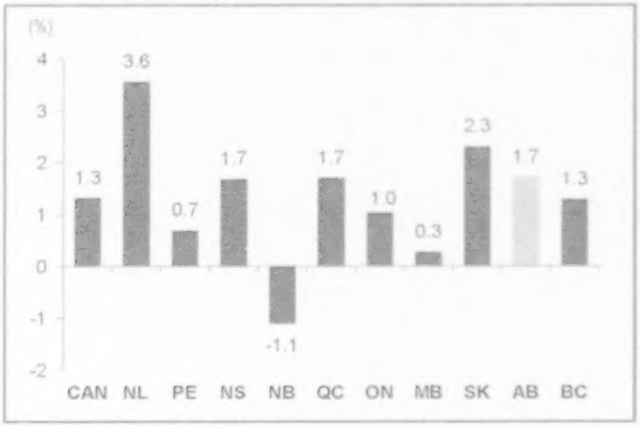
CPI Inflation
(September 2012, year-over-year growth in CPI)



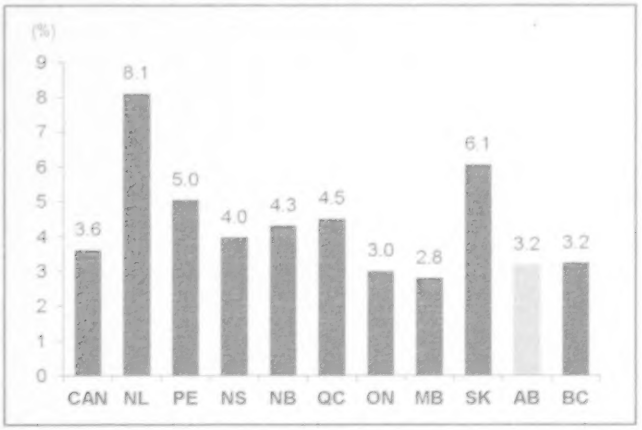
Unemployment Rate
(October 2012)



Employment
(October 2012, year-over-year growth)



Average Weekly Earnings
(August 2012, year-over-year growth)



Housing Starts
(October 2012, SAAR, year-over-year growth)